

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3545

ANSWERED ON:18.04.2005

SUBSIDY ON CAPITAL INVESTMENT IN AGRO-INFRASTRUCTURE PROJECTS

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has started a scheme to provide subsidy on capital investment in agro-infrastructural projects;
- (b) the details of this scheme and its likely impact on agriculture sector;
- (c) whether the said scheme will encourage the investors;
- (d) if so, by when this scheme is likely to be completed; and
- (e) the projects included in the agro-infrastructural sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a): Yes, Sir.

(b): This Ministry has implemented a new Central Sector Scheme w.e.f. 20.10.2004 for Development/Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization with a central outlay of Rs.190.00 crore. Under the scheme subsidy @ 25% of the capital cost of the infrastructure project shall be provided subject to a ceiling of Rs.50.00 lakh in each case. In case of North Eastern States, Hilly and Tribal Areas, SC/ST entrepreneurs and their cooperatives subsidy shall be @ 33.3 percent of the capital cost upto maximum of Rs.60 lakh. There is no upper ceiling in respect of projects of State agencies. The projects under the scheme can be taken up by individuals, group of farmers/growers/consumers, partnership/proprietary, NGOs, companies, cooperatives, corporations etc. Entrepreneurs shall be free to locate the project at any place of his choice determined on the basis of economic viability and commercial considerations.

(c): Yes, Sir. The scheme is reforms linked and assistance for the infrastructural projects will be provided in those States /UTs, that amend the APMC Act to permit the private and cooperative sectors to set up alternative markets.

(d): The Scheme will be implemented during the remaining period of the tenth five year plan i.e. up to 2006-07.

(e): 'Marketing infrastructure Projects' under the scheme may comprise of any of the following:

- i) Functional infrastructure for assembling, grading, standardization, and quality certification, labeling, packaging, ripening chambers, retailing and wholesaling, value addition facilities (without changing the product form) etc.
- ii) Market user common facilities like market yards, platforms for loading/assembling and auctioning of the produce, weighing and mechanical handling equipments etc.
- iii) Infrastructure for Direct marketing of agricultural commodities from producers to consumers/processing units/bulk buyers, etc;
- iv) Infrastructure for supply of production inputs and need-based services to the farmers.
- v) Infrastructure (equipment, hardware, gadgets, etc) for E-trading market intelligence, extension and market oriented production planning; and
- vi) Mobile infrastructure for post-harvest operations (excluding transport equipment).